

## Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 05829 01 OF 02 250243Z

70

ACTION EA-14

INFO OCT-01 ISO-00 INT-08 EB-11 COME-00 CEQ-02 SIL-01

LAB-06 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15

ACDA-19 IO-14 FPC-01 AEC-11 SCEM-02 DRC-01 /168 W

----- 070720

R 250026Z OCT 73

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 1885

INFO AMCONSUL MELBOURNE

AMCONSUL SYDNEY

AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 1 OF 2 CANBERRA 5829

TO 11652: N/A

TAGS: EMIN, ENRG, TECH, AS

SUBJ: AUSTRALIAN MINERALS AND PETROLEUM POLICY

REF: A) STATE 208319 (NOTAL)

B) CANBERRA 5828

C) CANBERRA A-250, OCTOBER 23, 1973

D) CANBERRA A-239, OCTOBER 10, 1973

E) CANBERRA A-122, MAY 22, 1973

F) CANBERRA A-121, MAY 25, 1973

G) CANBERRA A-120, MAY 23, 1973

1. RE INQUIRIES POSED REF (A), MINERALS AND ENERGY  
MINISTER CONNOR HAS BEEN INVOLVED IN SEVERAL CONTROVERSIES  
RECENTLY INVOLVING ELECTRICAL POWER, URANIUM AND PETROL-  
EUM. THESE EVENTS REPORTED BY REFS B, C AND D  
AND SUMMARIZED BRIEFLY BELOW.

2. ON OCTOBER 9, OPPOSITION MEMBERS SOUGHT TO CENSURE  
CONNOR IN PARLIAMENT FOR HIS HAVING LIMITED  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 05829 01 OF 02 250243Z

SNOWY MOUNTAINS AUTHORITY ELECTRICITY GOING TO NEW SOUTH

WALES WHERE ELECTRICITY WORKERS WERE RESTRICTING POWER GENERATION IN SUPPORT OF THEIR DEMAND FOR A 35-HOUR WEEK. CENSURE MOTION WAS TRANSMORGRIFIED BY GOVERNMENT MPS INTO MOTION CONGRATULATING CONNOR FOR HIS "BALANCED AND FLEXIBLE MANAGEMENT" OF THE SNOWY SCHEME. VOTE WAS 63-54 IN CONNOR'S FAVOR, PURELY ALONG PARTY LINES.

3. CONNOR HAS ALSO BEEN CRITICIZED BY OPPOSITION AND MINING INDUSTRY SOURCES FOR UNCERTAINTY AFFECTING URANIUM PROSPECTING COMPANIES (REF B. AND G). ALL URANIUM PROSPECTING LEASES IN NORTHERN TERRITORY (WHICH CANBERRA ADMINISTRATES) HAVE BEEN ALLOWED TO LAPSE PENDING STUDY OF ABORIGINAL LAND RIGHTS AND ENVIRONMENTAL PROTECTION. UNDER PRESENT LAW, COMPANIES WOULD APPARENTLY LOSE ALL RIGHTS TO DEPOSITS THEY HAVE SPENT MILLIONS EXPLORING UNLESS LEASES WERE RENEWED WITHIN 12 MONTHS OF EXPIRY. PRESS REPORTS HAVE CLAIMED MINISTER INTENDS TO TAMPER WITH URANIUM EXPORT CONTRACTS APPROVED BY PREVIOUS GOA JUST BEFORE DECEMBER 1972 ELECTION AND TO DELAY EXPORTS UNTIL 1980'S WHEN HIGHER PRICES ANTICIPATED, DESPITE EARLIER CONTRACTED DELIVERY DATES. WORST HIT IS FINANCIALLY HARD-PRESSED QUEENSLAND MINES (QM) WHOSE NABERLEK DEPOSIT IS IN ABORIGINAL RESERVE. WOODWARD COMMISSION STUDYING ABORIGINAL LAND RIGHTS NOT DUE TO REPORT UNTIL WELL AFTER QM WILL LOSE TITLE TO NABARLEK, ASSUMING NO OTHER GOA REMEDY FORTHCOMING. ON OCTOBER 18, CONNOR LABELLED "POLITICAL HUMBUG" ANY SUGGESTION THAT GOA WILL NOT RENEW LEASES. ON OCTOBER 23, CONNOR WENT FURTHER, STATING THAT HE CONTINUES TO PRESS FOR "FULLEST MINING OF ALL URANIUM IN NT" AND THAT GOA "WILL HONOR THESE (EXPORT CONTRACTS) TO THE LETTER DESPITE COLORABLE CIRCUMSTANCES." IN SAME STATEMENT, CONNOR ALSO ANNOUNCED PLANS FOR A URANIUM ENRICHMENT PLANT IN AUSTRALIA "UTILIZING JAPANESE TECHNOLOGY AND FINANCE"(REF B).

4. CONNOR LIKEWISE HAS RECEIVED WIDESPREAD CRITICISM FOR HIS PLAN FOR GOA PURCHASE AND CONTROL OF ALL NORTHWEST SHELF OIL AND GAS (REF D). THE MINISTER INTENDS THAT HIS NEW NATIONAL PIPELINE AUTHORITY (NPA) WILL BUY GAS AT WELLHEAD FROM WOODSIDE-BURMAH OIL (WBO) AND PRESUMABLY HANDLE ALL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 05829 01 OF 02 250243Z

DOWNSTREAM DEVELOPMENT INCLUDING EXPORT, IF ANY. CRITICS HAVE BRANDED THIS TANTAMOUNT TO NATIONALIZATION. ON OCTOBER 16 (REF C), CONNOR CLAIMED THAT WBO HAD NOT BEEN "STEAMROLLED" BUT NOW ENJOYS GOOD RELATIONS WITH HIM AND THE GOA.

5. EMBASSY COMMENT: OCTOBER 9 CENSURE MOTION WAS PRIMARILY POLITICAL EFFORT BY OPPOSITION TO EMBARRASS

WHITLAM GOVERNMENT ON 35-HOUR WEEK ISSUE, ECHOING LIBERAL-CP CRITICISM OF DETERIORATING INDUSTRIAL RELATIONS AND INFLATION FUELED BY EXCESSIVE WAGE DEMANDS. NATURAL GAS AND URANIUM ISSUES INVOLVE CONNOR AND HIS POLICIES SPECIFICALLY. CONNOR CONTINUES TO BE AN OUTSPOKEN, TENACIOUS IN-FIGHTER WITH GRANDIOSE PLANS FOR RESHAPING AUSTRALIA'S MINERALS AND ENERGY INDUSTRIES THROUGH FEDERAL INTERVENTION AND CONTROL (REFS. E AND F). HE IS NOW PERHAPS THE MOST CONTROVERSIAL MEMBER OF THE WHITLAM CABINET AS MUCH FOR HIS ABRASIVE STYLE AS FOR HIS STATIST INTENTIONS. PRESS COMMENTARY ON HIM HAS BEEN HEAVY AND OFTEN HARSHLY CRITICAL. RECENT INSTANCES OF CONNORIAN LOSS OF TEMPER HAVE BEEN WIDELY PUBLICIZED. THE ALARM AND INDIGNATION HE GENERATES AMONG OPPOSITION POLITICIANS AND BUSINESSMEN IS MATCHED BY THE CONCERN OF LABOR PARTY

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 CANBER 05829 02 OF 02 250244Z

70

ACTION EA-14

INFO OCT-01 ISO-00 INT-08 EB-11 COME-00 CEQ-02 SIL-01

LAB-06 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15

ACDA-19 IO-14 FPC-01 AEC-11 SCEM-02 DRC-01 /168 W

----- 070737

R 250026Z OCT 73

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 1886

INFO AMCONSUL MELBOURNE

AMCONSUL SYDNEY

AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 2 OF 2 CANBERRA 5829

PREMIERS IN WESTERN AND SOUTH AUSTRALIA. HOWEVER CONNOR SURELY STILL ENJOYS THE PRIME MINISTER'S CONFIDENCE AND WAS UNTOUCHED IN THE OCTOBER 9 CABINET RESHUFFLE. CONNOR IS, OF COURSE, NOT INVULNERABLE. THE MINISTER HAS LATELY SOUGHT TO MODERATE HIS RATHER FORBIDDING PUBLIC

IMAGE BY RESORTING MORE TO REASON THAT BOMBAST IN TELEVISION INTERVIEWS AND PARLIAMENTARY STATEMENTS. HIS PLANS, OFTEN PERSONAL AMBITIONS RATHER THAN CABINET-APPROVED POLICY AND TYPICALLY ONLY HAZILY OUTLINED, ARE LESS RADICAL THAN HIS TYPICALLY PUGNACIOUS ATTITUDE INDICATES. HE FREQUENTLY POINTS OUT THAT HIS POLICIES ARE NOT AT ALL RADICAL WHEN VIEWED IN A WORLD CONTEXT AND ARE ONLY MEANT TO REDRESS THE PREVIOUS GOA'S "SUPINE" ATTITUDES TOWARD STATE GOVERNEMENTS AND BUSINESS, ESPECIALLY FOREIGN-OWNED. THIS JUSTIFICATION NO DOUBT HAS SOME VALIDITY FOR MANY AUSTRALIANS.

6. CONNOR'S ATTITUDES SHOULD BE EVALUATED IN TWO RESPECTS: STATE VS. PRIVATE AND AUSTRALIAN VS. FOREIGN OWNERSHIP. REGARDING FORMER, CONNOR IS NOT OVERLY RADICAL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 05829 02 OF 02 250244Z

BY LOCAL STANDARDS DESPITE HIS PRONOUNCED PREDISPOSITION FOR STATE OWNERSHIP. TO DATE, HE HAS BEEN CHARGED WITH ADVOCATING "NATIONALIZATION" IN THREE SIGNIFICANT INSTANCES: HIS ALLEGED INTENT TO HAVE GOA SUPPLANT PRIVATE COMPANIES IN URANIUM PRODUCTION (WHICH HE VEHEMENTLY DENIED OCTOBER 23); HIS DECISION THAT NPA WILL REPLACE AUSTRALIAN GAS LIGHT COMPANY AS BUILDER-OPERATOR OF THE GIDGEALPA/MOOMBA, SA-SYDNEY GAS PIPELINE; AND HIS PLAN FOR NPA TO BUY WBO GAS AT WELLHEAD AND REPLACE COMPANY AS TRANSPORTER, PROCESSOR AND MARKETER. IN COUNTRY WHERE GOVERNMENT ENTITIES OPERATE AIRLINE, SHIPPING LINE AND ALL PUBLIC UTILITIES, NPA DOES NOT SEEM UNPRECEDENTED OR RADICAL, WHATEVER ITS ECONOMIC MERITS. MOREOVER, IN BOTH CASES, CONNOR SEEKS TO CONTROL FUTURE NOT EXISTING PRIVATE FACILITIES. RE AUSTRALIAN VS. FOREIGN OWNERSHIP, CONNOR OBVIOUSLY IS DETERMINED TO ENLARGE LOCAL (BOTH GOVERNMENTAL AND PRIVATE) OWNERSHIP OF DOMESTIC RESOURCES AND ENTERPRISES. HE STATES FLATLY NO NEW FOREIGN EQUITY WILL BE ALLOWED IN MINERALS AND ENERGY. HOWEVER, IT SHOULD BE NOTED THAT OTHER POWERFUL GOA FIGURES (E.G. OVERSEAS TRADE MINISTER CAIRNS) DO SEE ROOM FOR FOREIGN DIRECT OWNERSHIP IN FUTURE PROJECTS DESPITE CONNOR STATEMENTS. CONNOR AND HIS CABINET COLLEAGUES ALIKE INSIST EXISTING FOREIGN INVESTMENT WILL BE RESPECTED.

7. THE OLDEST CABINET MEMBER WITH A LIMITED FUTURE IN GOVERNMENT, CONNOR MAY FEEL HE MUST MAKE AS MANY WAVES AS POSSIBLE BEFORE HIS TIME RUNS OUT IF HE IS TO TRANSLATE HIS VISIONS INTO REALITY. DESPITE OPPOSITION CENSURE MOTIONS AND PRESS CRITICISM, CONNOR SEEMS SECURE IN HIS JOB FOR THE PRESENT. EMBASSY ESTIMATES THAT CONNOR WILL STAND BY HIS REGULARLY REPEATED PROMISE TO RESPECT ALL EXISTING GOA COMMITMENTS AND THAT THE

CABINET WILL NOT, REPEAT NOT, ENDORSE OUTRIGHT  
"NATIONALIZATION" OF EXISTING MINERALS AND ENERGY  
INDUSTRIES. THIS, HOWEVER, DOES NOT PRECLUDE CON-  
TINUED EFFORTS BY CONNOR TO EXPAND GOA CONTROL OVER  
THESE INDUSTRIES AND, SPECIFICALLY IN CASE OF PETROLEUM  
AND URANIUM, TO PROMOTE FEDERAL OWNERSHIP AND CONTROL  
OF FUTURE FACILITIES THAT UNDER PREVIOUS GOA'S WOULD  
HAVE BEEN LARGELY PRIVATE ENTERPRISES.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 05829 02 OF 02 250244Z

GREEN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973CANBER05829  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** CANBERRA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731013/aaaaajbj.tel  
**Line Count:** 238  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** A) STATE 208319 (NOTAL)  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 OCT 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16-Oct-2001 by kelleyw0>; APPROVED <06 MAR 2002 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AUSTRALIAN MINERALS AND PETROLEUM POLICY  
**TAGS:** EMIN, ENRG, TECH, AS  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005